

ETHANOL COALITION OF MICHIGAN

Fall 2006 Newsletter

The Ethanol Coalition of Michigan (ECOM) unites commodity organizations, fuel suppliers, educators, producers, businesses, government agencies and individuals who are interested in expanding the production and use of ethanol in Michigan.

First \$50,000 in Service Station Incentives Announced

September 28, 2006 — Governor Jennifer M. Granholm today announced that six public service stations will receive incentives to install or convert refueling equipment to provide ethanol (E85) or biodiesel (B20) fuel. These incentives are part of a larger effort recently announced by Governor Granholm to increase the availability of bio-based renewable transportation fuels across Michigan.

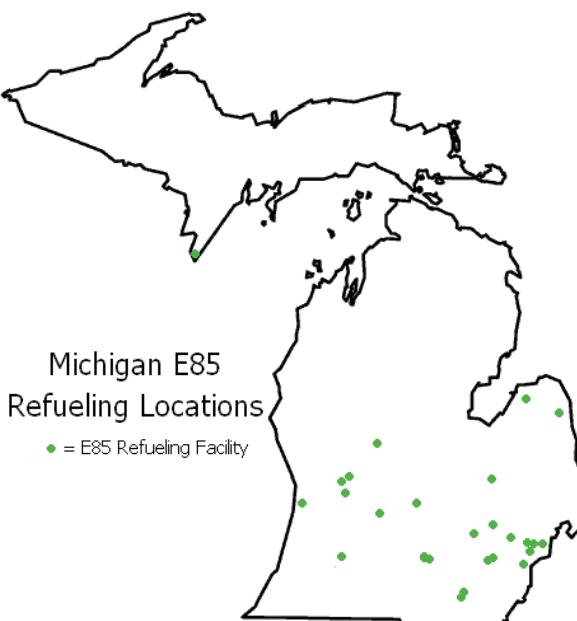
"Michigan is moving aggressively to create jobs in the development and production of alternative energy, and increasing the production and use of ethanol and bio-diesel fuels is a key part of our strategy," Granholm said. "It's the right strategy for Michigan — diversifying our economy, supporting our manufacturers and farmers, protecting our environment and helping break our nation's dependence on foreign oil. We will have 1,000 bio-fuel pumps in Michigan by 2008."

Service station owners receiving the incentives have agreed to complete their installation and begin dispensing E85 and/or B20 fuel to the public by December 31, 2006. The following stations are receiving

incentives: Kelly Fuels (Albion), Exit 76 Corporation (Rockford & Howard City), Randy's Service Station, Inc. (Fowlerville), Scharf's Service & Fuel Oil (Center Line), and Group Center, Inc. (Southfield).

The installation of ethanol and biodiesel refueling equipment will be monitored by NextEnergy Center which received a grant from the Michigan Energy Office to administer the pilot incentive program.

Full listing of E85 refueling stations can be found at www.E85Fuel.com



Corn, ethanol all the buzz at bio-economy gathering

By Jeremy W. Steele, Lansing State Journal

In a few years, Michigan could go from sending corn out of state by rail to fermenting much of the crop into fuel for automobiles.

That's the new reality Michigan's agriculture sector faces, according to researchers, business interests and public policy officials gathered Wednesday at the Lansing Center for the inaugural Michigan Bio-Economy Summit.

A new bio-based economy that aims to replace products made from petroleum with plant-based materials already is beginning to change the state agriculture.

Ethanol demand is absolutely going crazy," said Jim Byrum, executive director of the Michigan Agri-Business Association, noting three newly opened plants and six others in development. "By the end of 2007, we could use a higher percentage of our corn for ethanol production than any other state."

Industry officials hope the two-day summit, attended by more than 250 people and running through Thursday, can help bring together farmers, manufacturers and government officials to position Michigan to take advantage of a growing bio-economy. Officials already are planning a follow-up event for next year.

September 20, 2006

Michigan Ethanol Plants

Company	Location	Size and Nature	Status
Michigan Ethanol	Caro	40-50 million gallons, denatured	Online
Andersons, Inc.	Albion	50 million gallons, denatured	Online
US Bio Woodbury	Lake Odessa	40-50 million gallons, denatured	Online
Midwest Grain Processors	Riga Township	40-50 million gallons, denatured	Under Construction
Marysville Ethanol	Marysville	50 million gallons, denatured	Under Construction
NextGen Energy LLC	McBain		Planning / Permitting
NextGen Energy LLC	Watervliet		Planning / Permitting
Liberty Renewable Fuels LLC	Ithaca		Planning / Permitting

New Alternative Fuel Vehicles Announced

Twelve new flexible fuel vehicle (FFV) models will soon be available for purchase. DaimlerChrysler, Ford, General Motors, Mercedes Benz and Nissan have announced their model year 2007 E85 compatible vehicles.

"We are pleased to see the automobile manufacturers follow through with their promise to increase their number of FFV offerings," stated Phil Lampert, Executive Director of the National Ethanol Vehicle Coalition (NEVC). "This increase in production along with recent pledges for additional new vehicles, demonstrates the commitment of the auto industry to respond to consumer demands for E85 vehicles."

A listing of all thirty-one FFV models can be found at www.E85Fuel.com.

New Biodiesel-Approved Offering Hits the Off-road

Arctic Cat has just announced and completed development of a twin-cylinder diesel ATV, the first on the market. Popular on farms, Arctic Cat is encouraging the use of a biodiesel blend in these ATVs. The Arctic Cat machine comes with a fuel tag that recommends biodiesel use of up to B20. This was the first time B20 had been commercially promoted in small diesel engines.

Arctic Cat was very impressed with B20, and it offers a good selling point for farmers, said Ole Tweet, vice president of new product development "It says to them, 'Here's a vehicle for you that runs on the very stuff you grow.' That's a tremendous attribute."

Arctic Cat rigorously tested Lombardini

diesel engine ATVs on emissions, sound levels, hot-start capability at air temperatures of 95 degrees Fahrenheit, and normal-life engine durability tests, which simulate five years of consumer use. The tests compared for winter use with a No. 1 winter blend as well.

Full press release is available at: <http://nbb.grassroots.com/FY06NewsReleases/Arctic/>



Due to recent demand, the ECOM newsletter will now include biodiesel related news and information.

Calendar of Events

Cellulosic Ethanol—Commercial and Financial Viability and Prospects for Growth
October 31-November 1, 2006
W Chicago City Center, Chicago, IL
www.events.platts.com

Ethanol & Biodiesel Project Finance
November 1-3, 2006
Chicago, IL
www.infocastinginc.com/biofuels.htm

ACORE's Annual Policy Conference
November 29-30, 2006
Washington DC
www.acore.org

Ethanol Americas Finance & Investment
December 5-6, 2006
The Doubletree, Times Square, NY
www.biofuelconferences.com

Vehicle Energy: Technologies Driving Business and Policy Decisions of the 21st Century
December 6-8, 2006
Ann Arbor, MI
www.cpd.engin.umich.edu

National Biodiesel Conference & Expo
February 4-7, 2006
San Antonio, TX
www.biodieselconference.org

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